



Important Notice
National Securities Clearing Corporation

A#:	9082
P&S:	8655
Date:	December 1, 2021
To:	ALL PARTICIPANTS
From:	PRODUCT MANAGEMENT
Attention:	MANAGING PARTNER/OFFICER; RISK MANAGERS; OPERATIONS MANAGER; MANAGER, DATA PROCESSING MANAGER, IT MANAGER
Subject:	UNIVERSAL TRADE CAPTURE (UTC) – UNIVERSAL FLIP PROCESS AND A SPECIAL TRADE SUBMISSION

On January 24, 2022, the National Securities Clearing Corporation (NSCC) will be implementing a change in production related to the Universal Flip Process for a special trade(s) received by its Universal Trade Capture (UTC) system. Currently when the marketplace submits a special trade to UTC (Tag 577, Value of 4 = Special Trade), the trade-for-trade (TFT) balance order generated from this trade will be issued against the two NSCC Clearing Members who were the counterparties to the trade submission. For an NSCC Clearing Member who uses Universal Flip, the current process does not “flip” the special trade from their Clearing Member ID to their Settling Member ID; thus resulting in the the TFT balance order being issued to their NSCC Clearing Member ID. With this coding change, special trade processing will also be included in the “flip” process and TFT balance orders generated will have the Settling Member ID as the assigned counterparty for settlement of their balance order. This change will be inclusive of both domestic and foreign securities submitted as a special trade(s) by the marketplace.

Members are advised that there are no required coding changes for this modification. For NSCC Clearing Members who use Universal Flip, they will see the special trade “flip” like all other trades that flip on the Consolidated Trade Summary (CTS) under market code “FLP” from their Clearing Member ID to their Settling Member ID. As described above, the CTS will then generate the TFT balance order using their Settling Member ID as the counterparty.

Please Note: The Universal Flip process is not a marketplace submission to UTC. Universal Flip is not the same as Correspondent Clearing or Qualified Service Representative (QSR) trade input. Correspondent Clearing and QSR marketplace submission is not impacted by this change unless (just like any other marketplace) their trade input is submitted for a Member(s) that uses Universal Flip.

Testing

To accommodate Members who want to test this change, NSCC has deployed the above coding change in its Participant Services Environment (PSE). Members can begin testing this change now.

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Additional Information:

A copy of this Important Notice can be obtained from the website of NSCC's parent corporation, The Depository Trust & Clearing Corporation, at <http://www.dtcc.com>. If you have any questions regarding this notice, please contact your DTCC Relationship Manager.